

Director of Central Intelligence

23392

TOP SECRET

COPY NO. 10

NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

as of

June 13, 1949

TOP SECRET

NSC review completed.

WARNING

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT, 50 U.S.C., 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

- - - - -

1. COMPLETED PROJECTS

(May 27, 1949 - June 13, 1949)

INTERIM TERMS OF REFERENCE OF SANACC
(See NSC Action No. 220)

NSC 11/3 U. S. ARMED FORCES AT TSINGTAO
(See Progress Report by the Acting Secretary of State
on the subject, dated June 8, 1949)

TOP SECRET

2. PROJECTS UNDER CONSIDERATION BY THE NSC

APPRAISAL OF U. S. NATIONAL INTERESTS IN SOUTH ASIA
(Memo for NSC from Executive Secretary, same subject, dated June 2, 1949, ref. SANACC 360/14)

The "Conclusions" of the SANACC report on this subject have been submitted by SANACC for Council consideration. Scheduled as Item 1 on the agenda for the 42nd NSC Meeting, June 16.

POSSIBLE U. S. COURSES OF ACTION IN THE EVENT THE USSR RE-IMPOSES THE BERLIN BLOCKADE

(NSC 24/2; NSC Action No. 219; Memo for NSC from Executive Secretary, same subject, dated June 13, 1949)

A report by the Secretary of Defense, prepared in coordination with the Department of State on the subject (NSC 24/2) was amended by the Council at its 41st Meeting and concurred in subject to the concurrence of the Secretary of State (NSC Action No. 219). Concurred in by the Secretary of State subject to a further amendment proposed by the Acting Secretary of State, which was submitted to the Council as a matter of urgency by the reference memo of June 13. Awaiting action by Treasury, Defense, Army, Navy, Air Force and NSRB.

In addition, two points made by the Secretary of State on the subject report, in the enclosure to the reference memo of June 13, are scheduled, at the request of the Acting Secretary of State, for discussion as Item 2 on the agenda of the 42nd Council Meeting, June 16.

UNDERSTANDINGS ON EXPORT CONTROL IN EAST-WEST TRADE

(NSC 46; Memo for NSC from Executive Secretary, same subject, dated June 2, 1949)

The Secretary of State on May 3 submitted NSC 46 on the subject, prepared in the Department of State, and recommended that it be placed on the agenda for the Council meeting on May 5. The Secretary of Commerce and the Economic Cooperation Administrator participated in the Council's consideration of this report at its 39th Meeting, when the Council deferred action pending receipt of a report which the Secretary of Commerce would obtain from the Advisory Committee on Requirements for Council consideration. Report from the Secretary of Commerce, was circulated for Council action by memo dated June 2. Approved by NSRB, June 8. Awaiting action by State, Treasury, Defense, Army, Navy, Air, Commerce and ECA.

NSC STATUS OF PROJECTS

TOP SECRET

TOP SECRET

UNDER CONSIDERATION BY NSC (Cont'd)

IMPLEMENTATION OF NSC PAPERS

(Memo for NSC from Executive Secretary, same subject, dated May 25, 1949)

Proposed amendment to the agreed procedure for implementing NSC papers (NSC Action No. 123) submitted by the Acting Secretary of State for Council consideration. Approved by NSRB, May 26; by Treasury, May 30. Awaiting action by Defense, Army, Navy, and Air.

DEVELOPMENTS WITH RESPECT TO WESTERN UNION

(NSC Action No. 211)

At its 39th Meeting the Council agreed to retain this subject on its agenda pending consideration of policy questions with respect thereto which have not yet been decided.

MEASURES REQUIRED TO ACHIEVE U. S. OBJECTIVES WITH RESPECT TO THE USSR

(Ref. NSC 20/4; NSC 35; Memo for NSC from Executive Secretary, same subject, dated May 25, 1949; Memo for Consultants from Executive Secretary, same subject, dated March 30, 1949)

On the basis of the statement of U. S. risks and objectives with respect to the USSR (NSC 20/4) as adopted by the Council and approved by the President, the Staff drafted specific measures required to achieve those objectives, pursuant to NSC Action No. 88-b. In this connection, the Staff considered the views of the JCS on military commitments, which were circulated as NSC 35 for Council information and Staff use. Staff draft report presented to Consultants January 11. Referred back to Staff for revisions in the light of the discussion at the Consultants' meeting on January 17. Staff request that JCS views on "military readiness" be obtained for use in completing final draft of report was transmitted to the Secretary of Defense, January 19. JCS views incorporated by the NSC Staff in a draft report submitted to the Consultants by memo dated March 30. Concurred in by Navy and NSRB, April 1; by Air Force, April 5; by Army, April 12. State recommendations regarding this project submitted by memo dated May 25 to Council. To be scheduled for consideration at an early Council meeting.

TOP SECRET

3. PROJECTS UNDER CONSIDERATION BY THE NSC SUB-COMMITTEE ON GERMANY
(NSC Action No. 176)

The Sub-committee met initially on January 28, 1949, pursuant to the reference action, approved a procedure for its activities and designated representatives as a Steering Group. It was agreed that the Department of State would prepare for consideration by the Steering Group the first draft of a restatement of our policy toward Germany, and that the Steering Group should undertake concurrently the preparation of position papers on the following problems, the first four of which should have priority over the remainder:

1. Occupation Statute for Western Germany
2. Trizonal Fusion Agreement
3. German Constitution
4. Ruhr Control Plan
5. Prohibited and Restricted Industries
6. Reparations
7. Western Germany's Long-Range Economic Program
(GARIOA and ECA)
8. Western Berlin Currency Situation

The Steering Group has held fifteen meetings to date, during which policy toward Germany and the above problems were discussed, as well as the question of administrative arrangements for Germany.

Awaiting report by the Sub-committee.

(See also POSSIBLE U. S. COURSES OF ACTION IN THE EVENT THE USSR RE-IMPOSES THE BERLIN BLOCKADE, Section 2.)

TOP SECRET

4. PROJECTS UNDER CONSIDERATION BY THE NSC CONSULTANTS

UNITED STATES POLICY IN THE EVENT OF A COMMUNIST THREAT TO ICELAND
(NSC 40; Memo for Consultants from Executive Secretary, same subject, dated April 21, 1949)

Study by the JCS on "Future Operations in Iceland" circulated at the request of the Secretary of Defense and with the concurrence of the Secretary of State to the Council for information and referred to the NSC Staff for preparation of a report for Council consideration. Draft report submitted to Consultants April 21. NSRB concurred April 22; Navy, April 26; Defense, April 27; Army and Air, April 29. Awaiting action by State.

PLANNING FOR LIMITED JAPANESE ARMED FORCES
(NSC 44 and memo for NSC from Executive Secretary, subject: "Limited Military Armament for Japan", dated March 11, 1949; Memo for Consultants from Executive Secretary, above subject, dated April 27, 1949)

Study by the Department of the Army, "Limited Military Armament for Japan", and comments thereon by General MacArthur and the JCS, referred by the Secretary of Defense for examination by the NSC Staff with a view to preparing possible amendments to NSC 13/2 for Council consideration. Draft report submitted to the Consultants, April 28. Concurred in by Defense and Navy, May 3; by Army, May 5; by NSRB, May 7; by Air, May 9. Awaiting action by State.

TOP SECRET

5. PROJECTS IN PREPARATION BY NSC STAFF

THE POSITION OF THE UNITED STATES WITH RESPECT TO IRAN

At the request of the Acting Secretary of the Army, the NSC Staff has been directed to review the U. S. position with respect to Iran, to include consideration of the action which the U. S. should take to counter possible Soviet courses of action, and to prepare a study for consideration by the Council. A study prepared by the Department of the Army, suggesting specific U. S. action with respect to one of the possible Soviet courses of action, has been furnished to the NSC Staff for consideration. A draft analysis by the State Staff member and the views of the Defense Staff member are also being considered by the Staff in the preparation of a Staff study. Awaiting Staff study.

U. S. POLICY TOWARD ASIA
(NSC 48)

A request by the Secretary of Defense for a study of the current situation in Asia was circulated on June 10 for the information of the Council and referred to the NSC Staff for the preparation of a report for Council consideration. Awaiting Staff report.

TOP SECRET

6. OTHER CURRENT PROJECTS

CURRENT STRATEGIC EVALUATION OF U. S. SECURITY NEEDS IN JAPAN

(Memo for Secretary of Defense from Executive Secretary, same subject, dated May 24, 1949)

In accord with the questions raised by the Acting Secretary of State, the Secretary of Defense was requested to furnish a current strategic evaluation of U. S. security needs in Japan for Council information and for State Department use in its initial studies of the present adequacy of NSC 13/3. Awaiting report from the Secretary of Defense.

UNITED STATES STRATEGIC INTERESTS IN ISRAEL

(NSC 47)

In accord with the suggestion of the Secretary of Defense, the Secretary of State was requested to prepare for Council consideration an initial report which re-examines and develops an up-to-date policy on the position of the United States with respect to Israel, in light of developments over the course of the last twelve months and in view of the conclusions reached by the JCS in NSC 47. Awaiting report by the Secretary of State.

THE CENTRAL INTELLIGENCE AGENCY AND NATIONAL ORGANIZATION FOR INTELLIGENCE

(Memos for NSC from Executive Secretary, same subject, dated January 24, March 2, March 8, and April 4, 1949)

At its 37th Meeting (NSC Action No. 202) the Council considered the reference memos on the subject and referred them to the Secretaries of State and Defense to prepare, in consultation with the Secretary of the Treasury and the Attorney General and in the light of the Council discussion, specific recommendations for Council action. Awaiting report from the Secretaries of State and Defense.

TOP SECRET

OTHER CURRENT PROJECTS (Cont'd)

INTERNAL SECURITY
(NSC 17/4)

Pursuant to paragraph 7 of NSC 17/4, the Interdepartmental Intelligence Conference submitted a draft charter May 3, which is being held pending receipt of a draft charter for the Interdepartmental Committee on Internal Security.

Pursuant to paragraph 2-b of NSC 17/4, the Secretaries of State, Treasury, and Defense, and the Attorney General, designated their representatives on the Interdepartmental Committee on Internal Security. In accordance with paragraph 7 of NSC 17/4, the ICIS has been requested by memorandum dated April 21 to submit to the NSC, if possible within the next 30 days, a proposed ICIS charter. Awaiting draft charter from ICIS.

DISPOSITION OF THE FORMER ITALIAN COLONIES IN AFRICA
(NSC 19/1 and 19/2; Memo for Secretary of State from Executive Secretary, same subject, dated December 15, 1948)

At its 17th Meeting, August 5, the NSC reviewed and discussed the subject but deferred further action pending the results of negotiations referred to by the Department of State in NSC 19/2. As suggested by the Secretary of Defense in the reference memo, the Department of State was requested to prepare a progress report summarizing implementation of NSC 19/1, setting forth any suggestions concerning changes in NSC 19/1 as a basis for reconsideration by the NSC of the policies approved in that report. Awaiting report from State.

TOP SECRET

7. DEFERRED PROJECTS

NATIONAL SECURITY OBJECTIVES OF THE UNITED STATES

Study initiated by NSC Staff December 2, 1947 as a long-term project. First draft issued February 25, 1948. Further consideration subsequently deferred until after NSC action on the NSC 20 and 35 Series. Awaiting completion of a study on this subject being prepared by the Department of State as a long-term project.

TOP SECRET

Page Denied